

TENNESSEE REVENUE ESTIMATES
FISCAL YEARS 2006-07 AND 2007-08
PRESENTED TO THE
TENNESSEE STATE FUNDING BOARD
MAY 7, 2007

James W. White
Executive Director

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Fiscal Review Committee

**SCHEDULE SHOWING 2006-07 AND 2007-08 REVENUE ESTIMATES FOR ALL FUNDS
BY FISCAL REVIEW STAFF - ACCRUAL COLLECTIONS**

REVENUE SOURCE	FRC STAFF ESTIMATES FY06-07	% INC. (DEC.) OVER FY05-06	*	FRC STAFF ESTIMATES FY07-08	% INC. (DEC.) OVER FY06-07	*
SALES & USE TAX	\$6,825,136,000	4.75	²⁾	\$7,118,617,000	4.3	
GASOLINE TAX	613,274,000	1.27		616,340,000	0.5	
MOTOR FUEL TAX	186,073,000	3.0		191,655,000	3.0	
GASOLINE INSPECTION TAX	65,487,000	1.5		66,469,000	1.5	
MOTOR VEHICLE REG. TAX	262,018,000	5.0		268,568,000	2.5	
INCOME TAX	246,000,000	26.6		263,220,000	7.0	
PRIVILEGE TAX ¹⁾	317,085,000	4.0		332,939,000	5.0	
GROSS RECEIPTS TAX - TVA	247,482,000	12.33		257,381,000	4.0	
GROSS RECIPITS TAX-OTHER	22,500,000	8.0		23,288,000	3.5	
BEER TAX	18,153,000	2.0		18,516,000	2.0	
ALCOHOLIC BEVERAGE TAX	40,777,000	4.0		42,408,000	4.0	
FRANCHISE & EXCISE TAX	1,745,000,000	17.0	³⁾	1,779,900,000	2.0	⁴⁾
INHERITANCE TAX	92,000,000	20.6		92,000,000	-	
TOBACCO TAX	129,705,000	3.9		128,408,000	(1.0)	
MOTOR VEHICLE TITLE FEES	11,210,000	2.0		11,490,000	2.5	
MIXED DRINK TAX	52,489,000	7.0		55,638,000	6.0	
BUSINESS TAX	126,530,000	4.0		129,061,000	2.0	
SEVERANCE TAX	1,600,000	(8.79)		1,600,000	-	
AMUSEMENT TAX	300,000	(1.45)		300,000	-	
UNAUTHORIZED SUBSTANCE TAX	1,800,000	116.8		2,000,000	11.1	
TOTALS - FRC STAFF EST.	\$11,004,619,000	6.94		\$11,399,798,000	3.59	
F&A REVISED EST. FEB 2007	10,656,200,000	3.55		11,087,200,000	4.04	
EST. OVERAGE COMPARED WITH F&A EST. OF FEB 2007						
ALL FUNDS	\$348,419,000			\$312,598,000		
GENERAL FUND	\$308,519,000			\$273,122,000		

*SEE APPROPRIATE FOOTNOTE ON ATACHED PAGE

FOOTNOTES FOR SCHEDULE 1

- 1) PRIVILEGE TAX COLLECTIONS ARE REDUCED BY \$32,000,000 FOR FY07 AND FY08 FOR THE EARMARKED PORTION OF THE TAX.
- 2) THE 4.75% INCREASE REFLECTS AN ESTIMATED GROWTH RATE OF 4.9% FOR MAY-JULY. THIS TAKES INTO ACCOUNT A GROWTH RATE OF APPROXIMATELY 5.7% FOR THE LAST THREE MONTHS (FEBRUARY '07 THRU APRIL '07).
- 3) THE 17.0% INCREASE RECOGNIZES A 21.0% INCREASE IN COLLECTIONS FOR THE FIRST NINE MONTHS OF FY07 AND ASSUMES A 4.0% INCREASE IN COLLECTIONS FOR MAY THROUGH JULY 07 OVER ACTUAL COLLECTIONS FOR MAY THROUGH JULY 06.
- 4) THE ESTIMATED 2.0% INCREASE HAS BEEN ADJUSTED BY \$35 MILLION TO TAKE INTO ACCOUNT ONE-TIME COLLECTIONS IN DECEMBER 2006 FROM AUDIT SETTLEMENTS.

**SCHEDULE SHOWING FISCAL REVIEW STAFF REVENUE ESTIMATES
FOR ALL FUNDS AND THE GENERAL FUND
FOR FISCAL YEAR 2006-07**

REVENUE SOURCE	ALL FUNDS	GENERAL FUND
SALES & USE TAX	\$6,825,136,000	\$6,511,180,000
GASOLINE TAX	613,274,000	11,284,000
MOTOR FUEL TAX	186,073,000	3,535,000
GASOLINE INSPECTION TAX	65,487,000	19,299,000
MOTOR VEHICLE REGISTRATION TAX	262,018,000	50,753,000
INCOME TAX	246,000,000	163,319,000
PRIVILEGE TAX	317,085,000	317,085,000
GROSS RECEIPTS TAX - TVA	247,482,000	144,010,000
GROSS RECEIPTS TAX - OTHER	22,500,000	19,094,000
BEER TAX	18,153,000	12,170,000
ALCOHOLIC BEVERAGE TAX	40,777,000	33,727,000
FRANCHISE & EXCISE TAX	1,745,000,000	1,545,500,000
INHERITANCE TAX	92,000,000	92,000,000
TOBACCO TAX	129,705,000	129,705,000
MOTOR VEHICLE TITLE FEES	11,210,000	8,510,000
MIXED DRINK TAX	52,489,000	27,111,000
BUSINESS TAX	126,530,000	126,530,000
SEVERANCE TAX	1,600,000	457,000
AMUSEMENT TAX	300,000	300,000
UNAUTHORIZED SUBSTANCE TAX	1,800,000	450,000
TOTAL	\$11,004,619,000	\$9,216,019,000
GENERAL FUND INCREASE OVER ACTUAL FY05-06		\$593,796,900

**SCHEDULE SHOWING FISCAL REVIEW STAFF
COMPARISON OF 2006-07 GENERAL FUND ESTIMATES**

TAX	F&A FEB '07 ESTIMATES	FRC STAFF ESTIMATES	FRC OVERAGE (SHORTAGE)
SALES	\$6,484,400,000	\$6,511,180,000	\$26,780,000
GASOLINE	11,000,000	11,284,000	284,000
MOTOR FUEL	3,500,000	3,535,000	35,000
GAS INSPECTION	19,300,000	19,299,000	(1,000)
MOTOR VEHICLE REG	49,400,000	50,753,000	1,353,000
INCOME	135,100,000	163,319,000	28,219,000
PRIVILEGE	307,900,000	317,085,000	9,185,000
GROSS RECEIPTS - TVA	145,600,000	144,010,000	(1,590,000)
GROSS RECEIPTS - OTHER	18,500,000	19,094,000	594,000
BEER	12,000,000	12,170,000	170,000
ALCOHOLIC BEVERAGE	33,000,000	33,727,000	727,000
FRANCHISE & EXCISE	1,331,500,000	1,545,500,000	214,000,000
INHERITANCE	71,000,000	92,000,000	21,000,000
TOBACCO	125,000,000	129,705,000	4,705,000
MOTOR VEHICLE TITLE FEES	8,700,000	8,510,000	(190,000)
MIXED DRINK	26,600,000	27,111,000	511,000
BUSINESS	124,200,000	126,530,000	2,330,000
SEVERANCE	400,000	457,000	57,000
AMUSEMENT	300,000	300,000	-
UNAUTHORIZED SUBSTANCE	100,000	450,000	350,000
TOTAL	\$8,907,500,000	\$9,216,019,000	\$308,519,000
FRC STAFF GEN FUND EST. COMPARED WITH FEB '07 EST:			FRC OVERAGE (SHORTAGE)
SALES	\$6,484,400,000	\$6,511,180,000	\$26,780,000
FRANCHISE & EXCISE	1,331,500,000	1,545,500,000	214,000,000
ALL OTHER TAXES	1,091,600,000	1,159,339,000	67,739,000
TOTAL	\$8,907,500,000	\$9,216,019,000	\$308,519,000

**SCHEDULE SHOWING FISCAL REVIEW STAFF
REVENUE ESTIMATES FOR ALL FUNDS AND THE GENERAL FUND
FISCAL YEAR 2007-08**

REVENUE SOURCE	ALL FUNDS FY07-08	GENERAL FUND FY07-08
SALES & USE TAX	\$7,118,617,000	\$6,791,872,000
GASOLINE TAX	616,340,000	11,341,000
MOTOR FUEL TAX	191,655,000	3,641,000
GASOLINE INSPECTION TAX	66,469,000	19,588,000
MOTOR VEHICLE REGISTRATION TAX	268,568,000	50,410,000
INCOME TAX	263,220,000	174,778,000
PRIVILEGE TAX	332,939,000	332,939,000
GROSS RECEIPTS TAX - TVA	257,381,000	148,740,000
GROSS RECEIPTS TAX - OTHER	23,288,000	19,806,000
BEER TAX	18,516,000	12,345,000
ALCOHOLIC BEVERAGE TAX	42,408,000	35,033,000
FRANCHISE & EXCISE TAX	1,779,900,000	1,554,700,000
INHERITANCE TAX	92,000,000	92,000,000
TOBACCO TAX	128,408,000	128,408,000
MOTOR VEHICLE TITLE FEES	11,490,000	8,790,000
MIXED DRINK TAX	55,638,000	28,726,000
BUSINESS TAX	129,061,000	129,061,000
SEVERANCE TAX	1,600,000	444,000
AMUSEMENT TAX	300,000	300,000
UNAUTHORIZED SUBSTANCE TAX	2,000,000	500,000
TOTAL	\$11,399,798,000	\$9,543,422,000
GENERAL FUND INCREASE OVER FRC ESTIMATE FOR FY06-07		\$327,403,000

COMPARISON OF 2007-08 GENERAL FUND ESTIMATES

TAX	F&A FEB'07 ESTIMATES	FRC STAFF ESTIMATES	FRC OVERAGE (SHORTAGE)
SALES	\$6,817,400,000	\$6,791,872,000	(\$25,528,000)
GASOLINE	11,100,000	11,341,000	241,000
MOTOR FUEL	3,600,000	3,641,000	41,000
GAS INSPECTION	19,300,000	19,588,000	288,000
MOTOR VEHICLE REG	48,800,000	50,410,000	1,610,000
INCOME	143,700,000	174,778,000	31,078,000
PRIVILEGE	330,100,000	332,939,000	2,839,000
GROSS RECEIPTS - TVA	150,900,000	148,740,000	(2,160,000)
GROSS RECEIPTS - OTHER	16,500,000	19,806,000	3,306,000
BEER	12,200,000	12,345,000	145,000
ALCOHOLIC BEVERAGE	34,200,000	35,033,000	833,000
FRANCHISE & EXCISE	1,311,100,000	1,554,700,000	243,600,000
INHERITANCE	73,000,000	92,000,000	19,000,000
TOBACCO	126,100,000	128,408,000	2,308,000
MOTOR VEHICLE TITLE FEES	8,600,000	8,790,000	190,000
MIXED DRINK	28,500,000	28,726,000	226,000
BUSINESS	134,200,000	129,061,000	(5,139,000)
SEVERANCE	500,000	444,000	(56,000)
AMUSEMENT	300,000	300,000	-
UNAUTHORIZED SUBSTANCE	200,000	500,000	300,000
TOTAL	\$9,270,300,000	\$9,543,422,000	\$273,122,000

Annual Growth Rates for Sales and F&E Taxes

